

# EMM White paper

## PLUG MARKETING INTO THE ENTERPRISE

by Dave Sutton and Tom Klein

Say the word “marketing” to a lay person and you are likely to elicit thoughts of commercials, catchy jingles and celebrity endorsers pitching new and improved products and services to customers. This visible output of the marketing process is a creative and artistic activity and implies a purpose of making people aware of your enterprise and persuading people to buy your things. However, true marketing practitioners know that there is much more to the story. Behind the most successful commercials (i.e. the ones that actually sell more of your products and services) are often hours of quantitative analysis to uncover the needs and wants of consumers, to develop segmentation strategies and sophisticated targeting approaches, and to craft the specific messages that will activate purchase intent. What the lay person sees as an art, is often the result of hours of scientific work.



Unfortunately, within many large enterprises today, marketing is still viewed as a “black box” where substantial resources go in and creative outputs emerge — outputs that sometimes drive increased sales and profits, and sometimes do not. More disturbing, marketing for some enterprises has become isolated from the core business to such an extent that it is unclear whether marketing activity is linked to business strategy and results in any meaningful way at all. How ironic — when you consider that marketing and innovation are perhaps the only two significant engines for growth of a business (and some would go further to say of our economy!). We’ve got to plug marketing back into the enterprise.

## WHY IS MARKETING DISCONNECTED?

Sadly, true enterprise-wide management of marketing activities has been inhibited from taking hold by the fact that marketing in general has remained separate from the information flow of the rest of the company. The Information Revolution has absolutely transformed the way business is done around the world. However, in most cases, marketing has experienced this revolution from the sidelines. That’s not exactly a revelation, but the fact that marketing still hasn’t availed itself of all available technology means the revolution is not yet over. Nearly every company has pulled together information into accessible, accurate, integrated databases, so that

nearly any person in the company can view transactions, customers, and products, all in real-time. It’s this uniform view of information across a company that’s new.

While the rest of the company has largely become integrated thanks to Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Customer Relationship Management (CRM) initiatives, Marketing remains the island within the enterprise. This inability to leverage company and customer information has made instituting a scientific approach to marketing nearly impossible for most enterprises.

---

*The Information Revolution has absolutely transformed the way business is done around the world. However, in most cases, marketing has experienced this revolution from the sidelines.*

# how do you close the gap?

The way to address this gap: Enterprise Marketing Management (EMM):

## Enterprise

**Enterprise** because this approach to marketing is simply too important to be left only to marketing. What could be more important to your company's success than understanding how to use every resource, not just the traditional levers of the marketing mix, to drive your company's sales and profits higher?

## Marketing

**Marketing** because after all, this approach is still focused on understanding and developing a market and executing the traditional "4- P's" of marketing: product, price, place (distribution) and promotion.

## Management

**Management** because this pragmatic, data-driven approach requires marketing to take more responsibility and to interact much more extensively with the rest of the company. A company's brand has to be managed consistently across the enterprise – at every potential touch point with customers. Any person in your company who comes in contact with a customer has the potential to impact the customer experience and brand equity over time.

The role of marketers must be to inform decision-making across the enterprise as the owners of the customer's experience with your brand. For example, Marketing may suggest a reduction in a production forecast or a change in the promotion calendar, which in turn will impact the focus of the sales force — all in support of the needs and wants of the target customers.

To implement EMM effectively, it's important not just to do your homework in developing your marketing communications, but also to reconfigure your thinking about how marketing should work with the rest of your company — sales, finance, operations, service, human resources, and so on -- to deliver the brand promise and a profitable customer experience. You also should consider how marketing information flows from marketing to other departments and back again. This brings us to the two key principles that underlie this entire reconfiguration:

# 1st

**the brand benefits described in your marketing communications materials are simply too important to remain exclusively within the marketing department. They have to be shared with the rest of the company — sales, human resources, operations, service and finance.**

# 2nd

**Marketing has to rely on the rest of the company to help it deliver the brand benefits, and also to monitor what works and what doesn't.**



## EMM CLOSES THE GAP

The problem today in many enterprises is that the marketing department is an island, literally and figuratively shut off from the rest of the business. While the rest of the enterprise has participated in an Information Revolution, granting most corporate branches access to critical information, marketing stayed on the sidelines.

Since the early '90's, this information revolution has manifested itself in far more forms than just new versions of Microsoft Windows, or by switching from, say, Lotus 1-2-3 to Microsoft Excel. Companies have implemented ERP systems, designed to solve the "islands of transaction and inventory information" problem. This is the exact problem that a company scrambles to solve when someone calls with that dreaded question: "Where's my order?"

*"Marketing, which represents all the work between developing a new product and getting it sold, has been searching for a structured set of processes that could fill the gap. Dave Sutton deserves the credit for filling this gap with his concept of Enterprise Marketing Management (EMM) that now can stand with ERP, CRM, and SCM as the four platforms for running an efficient, effective and profitable business."*

*Phil Kotler*

## EMM CLOSES THE GAP

Certainly, customer service reps will have some answer to this question, but the real issue is whether it's a correct answer. Before the age of ERP, most large companies tracked inventory in several systems — a warehousing system, a finance system, and maybe even in the order management system. IT departments were forever trying to reconcile all the little packets and pools of information, the very definition of a Sisyphian task. Needless to say, they rarely ever got it right. Solving the islands of information problem means that companies no longer sift through multiple systems, each with its own data.

ERP systems create a single primary data source shared among finance, warehousing, and ordering. Presto — problem solved...at least for those concerned only about orders and inventory information.

While ERP systems are very useful, they don't provide information about the supply chain necessary to manage an increasingly complex network of buyers and suppliers. Companies need programs that look “through” the supply chain, programs that permitted greater integration and visibility of products' location in their long journey from raw material to finished inventory. To do so, they looked to firms, such as i2, which were developing Supply Chain Management software. These forward-thinking companies understood that it was not enough just to track inventory when it's at the company's warehouse.

True supply chain management involves keeping a tight rein on inventory as it works its way through the supply chain, gradually transforming from raw material to finished product.

With supply chain management software and ERP software, companies could tell a customer exactly what portion of their order was in the warehouse, in transit, on the production line or in raw form. Developing an answer to “where's my order?” has gradually expanded to include the ability to look at your supplier's own inventory to determine whether additional manufacturing runs are scheduled — or even possible.



For example, if a customer calls in and asks “where’s my order?”, company information systems should snap into action. Call reps need to know information about the order, of course, but they should also know about the customer’s buying history, delivery preferences, and product desires in order to deliver superior customer service. In addition, every rep must know about all of the company’s interactions with each customer. If the customer had ordered from a different division or prefers to purchase products via a customer extranet, the company must make all of these options possible in order to give the best possible service. However, simply delivering quality service is never enough. The golden rule for any IT investment, as any CIO will tell you, is that it’s impossible to rationalize large investments in software unless you achieve at least one of the following:

- **Substantial increase in revenue**
- **Dramatic reduction in operating costs**
- **Dramatic reduction in capital employed (e.g. inventory on hand)**


To date, the investments in ERP and SCM systems have pulled their weight by reducing operating costs and capital employed. They’ve turned IT and Finance departments upside down, while whittling down the balance sheet significantly. The integration of transaction and inventory information with the detailed, accurate profiles of customers has proven a powerful combination for both sales and customer service, as sales and service reps now have at their fingertips comprehensive and consistent information about their customers. The major developers of these total-solution CRM systems include players like Siebel Systems and Oracle Corporation. These systems, which are still growing in acceptance and implementation, are expected to be the primary technology investment for companies for several years to come.

These days, most marketers have at least a passing familiarity with CRM systems. While this integration of customer data has primarily driven results through Sales Force Automation — applying common selling processes to a common database of customer information — marketers are only now beginning to pay attention to its possibilities.

To this point, CRM has caused consternation among upper management, since it doesn't seem to be delivering the returns its users had expected. Any Luddite could tell you the reason why — you can invest in systems upon systems, but there's no guarantee you'll sell any more products and services.

The reason is simple — Marketing hasn't been added to the CRM mix. CRM also means “Can't Replace Marketing” — all of the best intentions to help a company cross-sell, up sell or just sell differently cannot happen unless Marketing participates in the effort. And the time for that to happen is now. Now is the chance for Marketing to ride to the rescue. Now is the time to plug Marketing into these enterprise information sources, helping your company to sell more products and services, more profitably. The information revolution has taken place around marketers while they've stood in the eye of the hurricane. Now is the time for Marketing to take up its own cause in the information revolution, and put all of these investments to work.





Marketers know better than anyone that the highest accomplishments aren't measured in bits and bytes. No company has ever shrunk itself to greatness. The heart of all success lies in selling.

Your company's ability to survive may very well depend on your ability to learn how to put these new information systems — and the information that flows through them — to work for you.

Nervous yet? Don't be — while all this sounds complicated, it's not...as long as you're willing to put in a little effort. While there are many options for plugging Marketing into your enterprise, two areas of focus will drive the most immediate returns:

- **Connect Marketing to Sales**
- **Connect Marketing to Finance**

The focus you choose depends on the nature of your business. Companies that rely on direct selling with a sales force should focus on bringing Sales and Marketing together. Companies that sell directly to consumers without the benefit of a sales force may consider focusing on the upstream opportunity first, integrating marketing with finance to better track the ROI of Marketing investments.

## CONNECTING MARKETING TO SALES

Once marketing has developed the brand architecture, communicating the brand's compelling value proposition, a natural next step is to consider how to enable sales to communicate these benefits accurately. Because the Brand Architecture — and its shorthand version, the Brand Positioning — has been developed specifically to drive customer purchase intent, it should seem obvious for Marketing to arm sales with this knowledge.

Unfortunately, as you probably already know, Marketing and Sales traditionally mix about as well as oil and water. The sales force often gets disappointed in Marketing, since Sales believes Marketing creates campaigns and new products without any regard for customer needs. Marketing, for its part, is often organized around products rather than markets or specific customer sets. Supplying sales forces with product-specific information, Marketing expects the sales force to reconcile this information with the solution-oriented needs of their customers.

In short, an enormous amount of time and effort gets wasted. The inability of Marketing to connect with Sales offers a great opportunity for marketers who are plugged into the sales information flow to sell more. In Enterprise Marketing Management, marketers must

feed the sales information flow that extends naturally out to every customer, across every customer touch point. This information flow is created with the customer in mind, and it must be developed with a holistic perspective in mind. Marketers also make plenty of complaints about Sales. They claim that sales forces can't execute well, focusing on price versus benefits. And if Sales doesn't provide feedback, Marketing must rely on third parties and research firms to get the same information Sales has in front of it every day.

There's also the matter of temperament. Many marketers think that selling is too much of a "hands-on" business, preferring to remain in the realm of concepts or advertising. Unfortunately, the disconnect between Marketing and Sales means that most selling content created by Marketing either does not get used in the field, or does not produce a tangible impact on revenue-generating activities. In fact, recent surveys of field sales reps at some of the largest and most respected companies indicate that upward of 90 percent of the material never even gets touched by Sales. The main reasons:

**"It doesn't conform to the way I sell."**

**"It's not relevant to the conversation I'm having with customers."**

# Ask yourself these two questions:

This means that nearly all the time and money spent on generating messaging content for the sales/customer interaction is for nothing, resulting in thousands or even millions of dollars of wasted effort each year. With every dollar wasted, the gap between marketing and sales grows larger, and the risk grows that marketing will be cut out of sales operations entirely. Is this the case at your company?

## Is my messaging Sales-Ready?

In other words, does it conform to the way salespeople sell? Is it organized so they can easily find the right content at the right time based on the needs of the customers and sales force? Can it be composed into a format that is deliverable — easily and consistently — across each rep in every channel, in accordance with their existing training?

## Is my messaging Customer-Relevant?

That is, does it represent the conversation already taking place with customers? Have you aligned messaging in response to customer goals, requirements and business needs — instead of product feature functionality — and provided corresponding supporting evidence? Is it formatted in a way that is useful to customers? If you answer “no” to any of these questions and you want to see an example of how to better connect marketing to sales, read the **American Express case study** at the end of this paper.



## CONNECTING MARKETING TO FINANCE

So now you see how Marketing can work with its downstream colleagues. Just as it's difficult to bring about a marriage between two such disparate partners, Marketing also doesn't have the information to look back upstream — to apply financial discipline to its work. How can Marketing possibly learn what drives sales, and what doesn't, if it's not able to track each investment and analyze the relevant sales? Marketing must strike an alliance with Finance in order to track such revenues.

Plugging Marketing into the Finance function, in this instance, refers to the need for marketing to apply a rigorous, systematic approach to all of its spending. Enterprise Marketing Management requires an analytical approach, much like managing any financial portfolio investment. Knowing the specific results of marketing efforts allows marketers to correct their course along the way.

The old practice of “rolling the dice” at the start of the year and measuring the results at the end of the year is dead. What form might this connection take? Considering that most financial systems are now part of ERP systems, this can be as simple as performing regular analyses of return on Marketing spending. Or it can be as complex as an integration of marketing's planning, budgeting, and investing efforts with financial systems, so that real-time data snapshots are always available. Just as you manage your stock portfolio, you should manage your portfolio of marketing investments. Few companies have this capability in place, but it's only a matter of time. The sooner that you make this connection between Marketing and Finance, the sooner you can tell the good Marketing investments from the bad ones — and start making more mid-course corrections to maximize your return.



## CONNECTING MARKETING TO HR

It's easy enough to grasp the necessary connections between Marketing and the Sales and Financial departments. But what on earth could Marketing and HR have in common? It's simple — in the modern enterprise, the most valuable assets walk out the door every day. More importantly, they've got to be attracted in the door in the first place. Marketing develops a Brand Architecture that is intended to drive customer purchase intent. But what about driving employee work intent? That may sound like an absurd iteration of the problem, but the savviest employers realize that the winners of the game are the ones with the strongest team members. As a marketer, connecting to HR means helping HR determine the best players to communicate your message. How do you attract the sales superstar? The next logistics wizard who will save your company millions? The R & D specialist who will put your company on the map with a groundbreaking product?

Marketing must translate the power of its brand to potential employees. Otherwise, hiring becomes just a shot in the dark, and you may not get a second chance at that make-or-break employee. The role of Enterprise Marketing Management in this instance is simply to develop a Brand Architecture for attracting employees, just as you would develop a brand architecture for driving purchase intent. All of the same tools that work for attracting, selling to, and retaining customers can be applied to attracting employees. The real shame is that Marketing and HR rarely come together in the best interest of the company. Applying Marketing talent to attracting employees results for the most part from serendipity. CEOs would be wise to not get caught up in traditional silos and consider how Marketing skills can be used in new ways. All of the customer Marketing in the world might not make a difference if your employees aren't up to the task of delivering what's been sold.





## CASE STUDY: American Express Connecting Marketing to Sales to drive increased Card acceptance

American Express has recognized the importance of connecting Marketing by merchants, most specifically through the concept of Customer Message Management (“CMM”).

The company found general across-the-board agreement on the importance of consistent brand messaging, but had trouble executing the concept. Coordinating all of the messages being delivered across all channels may sound like a good idea, but making it happen – ensuring a constant message at the call center or Web site, or when a salesperson has a face-to-face meeting with customers--is no easy feat.



## THE COMPANY FACES SEVERAL CHALLENGES:

- The sales force reported back to Marketing that they were suffering from information overload
- The skill sets of sales reps varied across the company – meaning that some were able to synthesize all of the Marketing information, while many were not
- The company needed to balance the quantity of product information with the specific needs of customers or customer segments
- National team and larger accounts benefited from more experienced sales reps and accordingly were able to craft the “information overload” into consistent selling messages with customer-specific adjustments
- Small to Middle-market sales reps, with more accounts to cover but in many instances possessing less experience, struggled to deliver the right brand benefits to their accounts so as to communicate the value of the American Express relationship.

Over the course of a year and a half, the company sought to hire about 100 to 150 new sales reps, focusing on that smaller to mid-range opportunity. Obviously, one concern was these people came with their own set of baggage from their previous careers, and it takes a long time to instill new thinking within a salesperson.

Another concern was inconsistent message delivery. Several years ago, American Express performed an audit of the materials salespeople presented to customers, and found there was little differentiation. The company determined that it needed to understand customers’ specific needs and integrate those with the messages that American Express is delivering. The company had spent considerable money, time, and resources training salespeople to sell based on the needs of the customer. It had spent significant man-hours investing in those resources. The problem was that all of the strategies that Marketing was creating did not necessarily strengthen the message.

In the small to middle market, sales cycles are becoming significantly more complex, looking more like sales cycles of a national team. So the salesperson that typically would go in and sell an account in one or two visits is now looking at an extended sales cycle, since they are working with a more educated consumer, who may actually know more about the industry than the salesperson. So the company needed to create a method by which they could become more educated. At the same time, all salespeople are driven to make quotas, and those tend to increase every year, a factor the company needed to take into account.

# American Express decided to learn from the success of others

But all of these external pressures and information overload ultimately lead to disjointed messaging. So the company decided to determine a way to bridge this messaging gap through a collaborative partnership with sales and Marketing.

American Express decided to learn from the success of others. The company laid out, in partnership with a group called the Sales Executive Council, some of the best-in-class procedures that other companies with similar challenges had used. The company grouped those strategies into three primary areas – freeing up rep time, increasing rep effectiveness and reorganizing our efforts around the customer.

The company also created a sales intelligence center, where any data needed throughout the sales process is housed in one place, and a team of cross-functional individuals can tackle any business issue.

Any time a company tries to alter its operations, there is a significant challenge in preparing people for change. The company definitely had some adoption challenges, but tried to address those by proactively approaching the sales teams in developing the collaborative environment.

The steering committee helped prioritize the most desired aspects of the information center and played a key role in the vendor selection process. During the implementation phase, American Express checked with the steering committee to ensure it was on track and to course correct if necessary.

Ultimately, American Express launched an initiative called Sales Force Online. It has been so successful that account managers are working to find access to the same information. The company is now in the process of expanding the application to have a more holistic view of the customer relationship.

As a result, American Express has leveraged the initiative as a key communication portal. American Express can adjust the value proposition in conjunction with sales and deliver nuances to it quickly at a centrally-managed content location.

At any given time, American Express has an estimated 300 to 500 different Marketing programs that a salesperson has to be adept at to sell to a prospect. So the company created a filter through which sales reps could create, based on the needs and objectives of that customer, an appropriate Marketing solution, then print out an agreement and all of the Marketing materials they would need.

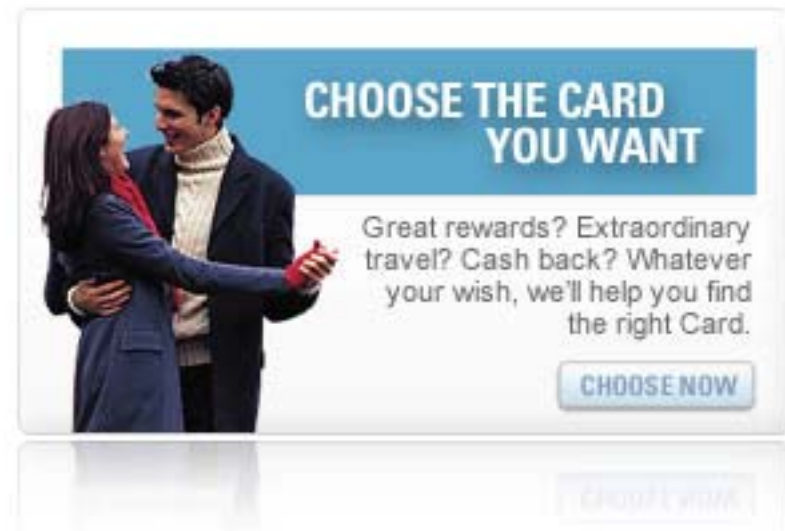


**GET MORE OF WHAT YOU WANT**

Explore Cards with a wide selection of rewards through the award-winning Membership Rewards® program.

**VIEW REWARDS CARDS**

MEMBERSHIP rewards



**CHOOSE THE CARD YOU WANT**

Great rewards? Extraordinary travel? Cash back? Whatever your wish, we'll help you find the right Card.

**CHOOSE NOW**



One of the key areas of the information portal is an area called Roadmap, which American Express developed in partnership with Ventaso. The roadmap takes all of the elements that a salesperson uses throughout the sales cycle – the value information, customer testimonials, survey findings – and loads all that information it into a central knowledge database. American Express wanted to leverage the good work already being done, but also marry the sales and Marketing effectiveness and layer in different product rollouts into one database.

So how did American Express get to the outputs and craft the appropriate message?



In cooperation with its partners at Ventaso, American Express probed around in the insurance industry to hear what was being said about the company. This proved a challenge to the company, as Marketing and sales needed to work together to determine what customers would actually say and the manner in which they would say it. Through this partnership, American Express's Sales and Marketing departments agreed on messaging that it was able to deliver in an automated fashion. Because both Sales and Marketing worked together, they managed to fashion a partnership rather than an adversarial relationship.





In order to provide sales reps with the most accurate and timely data, American Express now posts its Marketing collateral online, rather than printing it and updating it via hard copy.

The readiness and speed-to-market components of the program, as well as its central location, give salespeople the appropriate information, at the appropriate time, in the appropriate format.

Most importantly, however, American Express now knows that when salespeople go out to speak to prospects, they have worked in concert with Marketing to create an effective, targeted message. Marketing can now manage content and deploy new messages rapidly. The continuous feedback loop also allows the sales force to let Marketing and other reps know what's working and what isn't. Ineffective messages can be refined, refocused, and reintroduced to the marketplace in rapid order.

Sales Force Online has provided American Express with a wealth of information, so much so that account managers are seeking access to the same information. The company is now in the process of expanding the application in order to have a more holistic view of the customer relationship.

## Founding Principles – American Express Customer Message Management



- **Customer Relevant** – messaging should be based on customer-centric issues (business goals, needs and requirements), not product-centric features
- **Sales Ready** –messaging should conform to way sales people have been trained to sell (needs determination and value alignment)
- **Effective Structure** –messaging should be structured in a consistent, reusable, template-based approach that can be deployed across a company for more efficient content creation and management
- **Real-time Access**– messaging should be available and delivered online to the right person, at the right time using simple, intuitive user interface designed to replicate sales and customer communication process
- **Personalized Outputs**–messaging should be presentable in a customized outputs based on specified needs, so that customer communications reflect the unique business goals and requirements expressed in each sales opportunity
- **Continuous Improvement** –messaging should be managed and updated based on proactive, interactive analysis and feedback to ensure maximum impact and field effectiveness